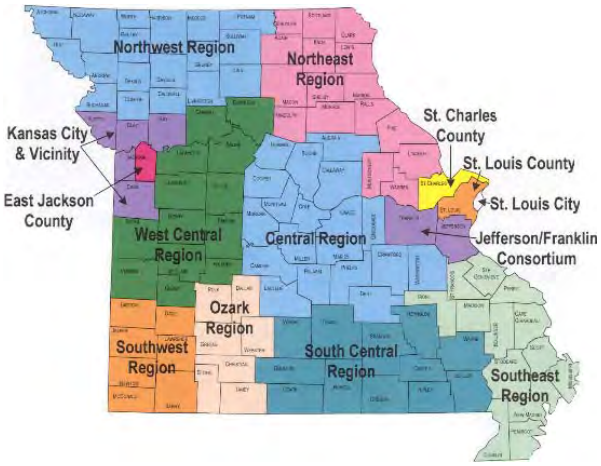
Missouri State of the Workforce Report 2004 Executive Summary



21st Century Economy

The 21st Century has brought with it dramatic changes in the world's economy. This transition to a 21st Century economy has been accelerated by the productivity increases afforded by evolving technologies. The emerging knowledge-based economy of the industrialized world requires higher skill levels of its workers and advanced business/manufacturing techniques of its companies. The economic future belongs to workers, businesses and governments that openly embrace innovation and acquisition of advanced skills and knowledge. As this report demonstrates, Missouri has much work to do to build a workforce with the skills required to assist their employers to compete in the 21st Century economy.

Reforming Missouri's Workforce Investment System

In response to the demands of the emerging 21st Century economy, Missouri is reforming its workforce investment system. Missouri is reinforcing its commitment to local decision-making by providing more relevant and complex data to communities. In addition, evidence of the collaborative efforts to improve system performance is reflected in the actions of such bodies as the local Workforce Investment Boards, Missouri Commission on the Future of Higher Education, Missouri Business/ Education Roundtable, Missouri Board of Education, Missouri Coordinating Board of Higher Education, Missouri Training and Employment Council, and others. A variety of business, organized labor and civic organizations are also fully engaged in transforming Missouri into a highly competitive 21st Century economy.

Missouri is attacking the challenges of this new knowledge-based economy in an integrated manner. The key to Missouri's continued success will be its ability to effectively integrate the actions of the business, education and workforce sectors. While efforts are underway to work toward common goals, the linkages between the three sectors must be accentuated and leveraged for success. Missouri is focused on the needs of business and a culture of life-long learning (skill refinement) is emerging. Adaptive systems are being designed to provide more meaningful information for individuals (a broader set of career options) and for businesses (enhanced market and workforce data).

What is the State of the Workforce Report?

The Missouri State of the Workforce Report 2004 was developed in response to a charge by the Governor to the Missouri Training and Employment Council to identify gaps in skills and education of the workforce, and recommend strategies to increase essential skills and knowledge that will help people get and keep jobs. The development of the *Report* has been a collaborative effort among people from the business, labor, education and the workforce

service delivery system. The Missouri Training and Employment Council has initiated a comprehensive dialog on the state of the workforce with the assistance of The Corporation for a Skill Workforce (a respected national consultant). As requested by Governor Holden, the essential and technical skills needed by business and industry have been identified, along with eleven essential recommendations for improving the workforce investment system.

The full report incorporates information from many state and national data sources, and analysis by various committees and stakeholders, including the National Governors Association Workforce Policy Academy Team. This document is one piece in a suite of workforce performance reports and intelligence products developed for Missouri by the Corporation for a Skilled Workforce. Additional products include *Missouri's State of the Workforce Report 2004*, *Comparative Workforce Indicators for the State of Missouri* and *Developing a Balanced Scorecard for Missouri's Workforce System.*

Missouri's State of the Workforce Report 2004 suite of products is available at:

http://www.ded.mo.gov/employment/mtec/

Missourians Must Recognize, Embrace, and Initiate Change and Innovation

Missouri must reposition itself to be successful in the "new economy." According to the **2002 State New Economy Index,** produced by the Progressive Policy Institute, Missouri ranks near or below average in many important factors.

New Economy Indicators

Indicator	Missouri Score	Missouri Rank of all States	U.S. Average	Top Ranked State (Score)	Bottom Ranked State (Score)
Manufacturing Workforce Education	0.67	40th	1.0	Hawaii (1.76)	Arkansas (0.01)
Scientists and Engineers	.38%	31st	0.49%	New Mexico (1.21%)	Nevada (0.22%)
Industry R&D Investment	.81%	29th	1.91%	Rhode Island (4.29%)	South Dakota (.08%)
Overall Score (21 indicators)	58.85	24th	60.32	Massachusetts (90.00)	West Virginia (40.71)

Source: 2002 State New Economy Index http://www.neweconomyindex.org/states/2002/

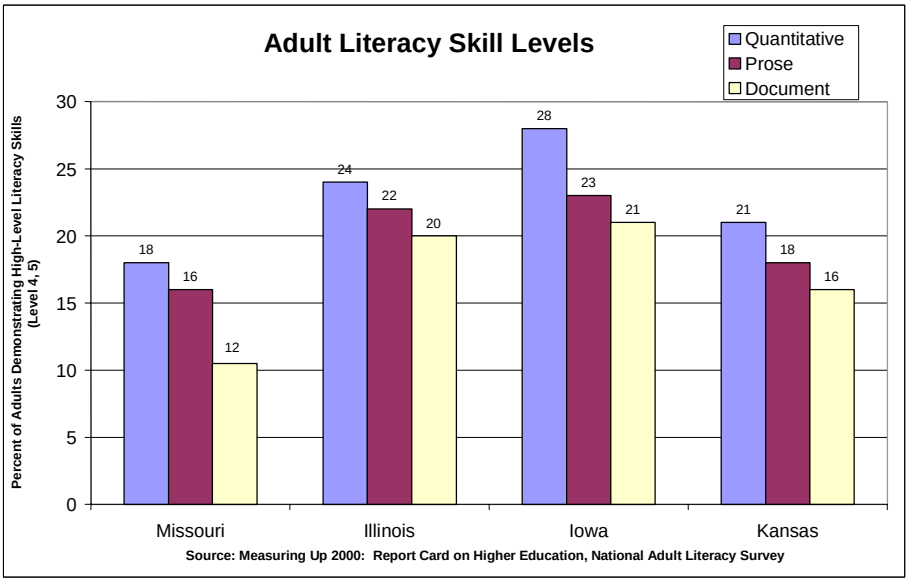
The new economy requires high-level cognitive skills, innovation, adaptability to rapid change, and strong linkages among government, education, and business. Twentieth century models of education and economic development will not help the state to be competitive in the next century. The 21st Century model of education requires increased rigor and lifelong learning. The 21st Century approach to economic development includes cluster-based strategies and community involvement.

The Missouri Economic Research and Information Center (MERIC) has identified three potential clusters[1] that are key to Missouri's future success; they are advanced manufacturing, information technology, and life sciences. Together, these clusters account for over 40 percent of the state economy, contributing over $60 billion annually. They are responsible for over 360,000 direct jobs and over 700,000 additional indirect jobs. However, they should not be automatically accepted as the final clusters without full discussion and consensus with stakeholders.

Strategies for cluster-based workforce development:

- **Training:** upgrading workers' skills in the industry clusters.
- **Sector research and analysis**: learning more about the industries' practices and factors for success.
- **Worker retention:** assisting cluster employers in identifying and resolving retention issues.
- **Employer engagement:** forming and working with industry associations and skill alliances.
- **Career pathways:** developing skill standards for intermediate and long-term credentials in the industries.
- **New worker recruitment:** brokering labor force attachment and raising the quality of the applicant pool.
- **Organizing for action:** building coalitions of stakeholders, developing advocacy campaigns.
- **Enterprise development:** developing entrepreneurial training, discovering new markets.
- **Changing "systems" of the industry:** changing regulations, financing and investment patterns, hiring and training practices.

Percentage of Citizens Who Are Highly Literate Must Increase Significantly



One of every two Missourians does not meet average levels of adult literacy. To be competitive in the new economy, the workforce must have strong basic skills and have the capacity to benefit from training. Nationally, people who are at the level of one-third of Missourians are more likely to be living in poverty, more likely to be on welfare or food stamps, are employed fewer weeks per year, and are disproportionately represented in the prison population compared to people at the upper levels of literacy.

[1] A cluster is a group of similar, related, or complimentary businesses that are geographically bounded; share specialized infrastructure, labor markets, and services; and are faced with common opportunities and threats.

Strategies for Engaging Missourians in Improving Literacy:

The Missouri Training and Employment Council has identified recommendations to expand participation in literacy programs:

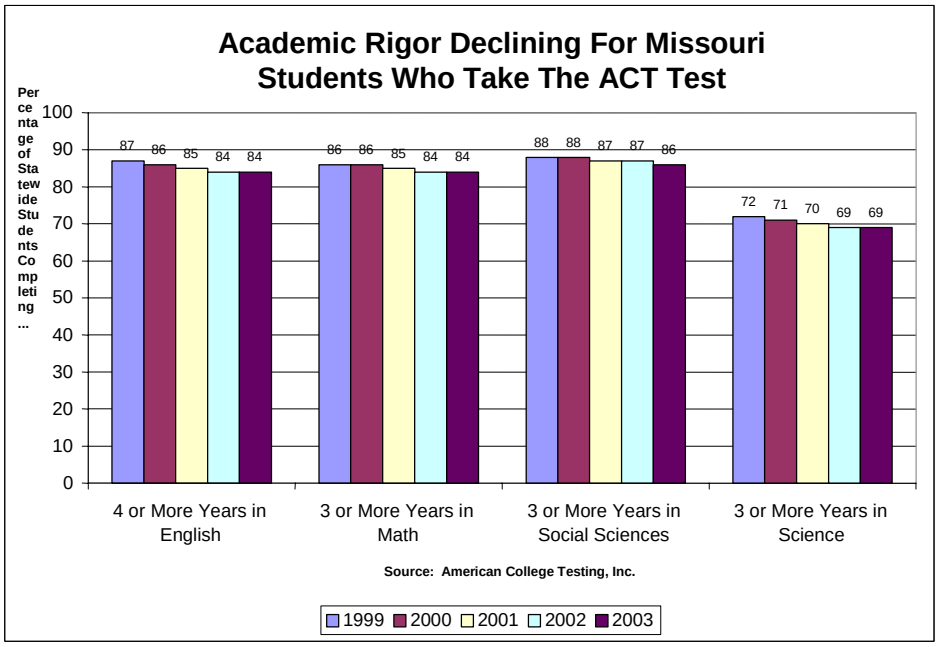
- As reflected in the Missouri Business - Education Roundtable Report, the State must provide strong support for an education continuum of pre-school through higher education.
- Imbedding literacy instruction in all adult training programs.
- Promoting a common workforce readiness credentialing system for Missouri.
- Enhancing Missouri Career Centers to identify those in need of literacy training.
- Support efforts by the State's higher education institutions in developing and promoting literacy improvement programs in the communities they serve.
- Encouraging businesses to promote the benefits of literacy in the workplace.
- Continue to provide literacy training opportunities for all people receiving public assistance leading to self-sufficiency.

High School Graduation Requirements Must be More Rigorous

The new economy requires higher-level cognitive skills. Increased rigor in educational preparation can contribute to development of those skills. On a positive note, Missouri has made encouraging gains in the percentage of students testing at or above the proficient level on the National Assessment of Educational Progress (NAEP).

- 34% of Missouri eighth graders scored at or above the proficient level in reading, compared to 31% for the nation based on the 2003 NAEP. The proficiency rate for Missouri students jumped 6 percentage points from 1998.

- 28% of Missouri eighth graders scored at or above the proficient level in math on the 2003 NAEP, compared to 21% in 2000 and compared to 27 percent for the nation this year.



While the NAEP data show that academic progress is being made at the elementary and middle school levels (grades 4 and 8), there has been a decline in the number of high school students completing the more rigorous academic courses. Recent records show that three percent fewer students are choosing to take advanced English classes. There has also been a two percent decline in the percentage of students taking three or more years of math, and a three percent decline in the percentage of students taking three or more years of science.

When comparing key indicators of college preparation, Missouri ranks below selected comparison states (Illinois, Iowa, and Kansas) in:

- The number of scores in the top 20 percent nationally on ACT exams per 1,000 high school graduates.
- Percent of high school freshmen enrolling in college within four years of graduation.
- 18 to 24 year olds enrolling in postsecondary education.

For Missouri students to be academically competitive and well prepared for the new economy, high school graduation requirements must be more rigorous and should include four years of English and three years each of social studies, mathematics and science. Additionally, the Council supports a curriculum that includes foreign language.

High School Graduation Requirements Must Include a Nationally Recognized Work-Readiness Certification

In order to graduate an increasing number of students with a work readiness certification, the state will need to put in place a skills assessment mechanism. The mechanism must be one that is applicable to both youth and adults if it is to be meaningful to employers, parents, workers, and students alike. Many states, including Missouri, are using WorkKeys to assess the skills of adults and youth. Other assessment tools used by Missouri include the National Occupational Competency Testing Institute (NOCTI) and the Competency Profiles used by the Department of Elementary and Secondary Education. Indiana, for example, has mounted a $25 million, five-year statewide WorkKeys saturation plan. The WorkKeys test counts as a federally reportable skills credential.

Over 10,000 students drop out of Missouri high schools each year. Over a four-year period, this equates to 40,000 students who have dropped out. This is more than the total population of many Missouri towns and cities. (MO DESE Core Data - Nov 25, 2002)

Any useful assessment needs to be supported by a relevant 21st Century skills curriculum. There are multiple frameworks for building skills needed for the new economy. The skills they promote include task management, analytical skills and problem solving, team contribution and leadership, customer relations, production and processing, advocacy and influence, and resolving conflict and negotiating. Imagine how useful school high school transcripts would be to employers if they addressed proficiency in "using math to solve problems and communicate" rather than just a geometry grade.

As part of an employability/portability portfolio, high school transcripts can be used as a direct connection between education and business. Businesses should utilize the high school

transcript (grades, attendance, extracurricular activities) as an additional measure of employability.

Strategies for Increasing Work-Readiness:

- Use the Missouri Assessment Program (MAP) as a means by which to increase worker readiness. The Missouri Training and Employment Council recommends:
  - Full funding for the four major areas of MAP statewide.
  - Adoption of a statewide readiness assessment for all high school and GED graduates.
  - Establishing a publicity campaign that would deliver strategic messages regarding MAP and WorkKeys (or other skills assessment programs).
  - Establishing statewide standards for secondary graduation rates.
  - Linking standards to the A+ Schools Program.
  - Requiring teachers and professors to do periodic business internships that are consistent with their academic discipline.
  - Imbedding career options into high school and college course content.
  - Imbedding core workplace competencies into high school and college course content.
  - Developing business and education partnerships at the secondary and post-secondary levels.
  - Eliminating social promotion of students from one grade to the next.
  - Instituting a standard community college entrance exam for evaluating a student's general education and core competencies.
- Identify cross-sector knowledge and skill requirements for the targeted clusters.
  - Change how teaching is done; not just what is taught; ensure businesses have the skilled workers they need to grow and prosper.
- Recognize the value of customer service in the growing service economy by including it as a skill in which people should be proficient.
- Make transcripts count:
  - Make employers aware of the value of high school transcripts (grade point average, attendance and extra-curricular activities) in the employee selection process.
  - Establish a trained speakers' bureau to talk to freshmen about how critical transcripts will become.
  - Launch a media campaign aimed at employers who do not ask for transcripts, and to students about the value of education.

All Adults Must Be Engaged in Continuous Learning and Skills Development

To sustain and grow critical industries in the new economy, all workers within the industry – from the entry-level worker to the chief executive – must continuously learn new skills. The world of work is changing too rapidly to allow learning to end at high school or even college. The typical worker will change jobs 10 times in the course of his or her life. Three of these changes will involve major career shifts. Job seekers will have to figure out how to connect their existing skills to the next job, and how to fill the gaps in their knowledge and skill base. Employers will have to

learn what skills are available and how to predict and describe what skills they need. The best unemployment insurance is skills and adaptability.

Critical occupations in the candidate clusters for Missouri reflect knowledge, skill sets and levels of those skills that may not have been predictable ten years ago. The chart below outlines the top skill and knowledge requirements for critical occupations in advanced manufacturing, information technology, and life sciences.

Industry	Top Skill Requirements	Top Knowledge Requirements
Advanced Manufacturing	➢ Operation and Analysis ➢ Mathematics ➢ Information Organization ➢ Product Inspection ➢ Operation Monitoring ➢ Testing ➢ Operation and Control ➢ Equipment Maintenance ➢ Troubleshooting ➢ Installation and Repair ➢ Instructing	➢ Computers and Electronics ➢ Engineering and Technology ➢ Chemistry ➢ Mechanical ➢ Building and Construction ➢ Production and Processing ➢ Design ➢ Radio Frequency Identification ➢ Lean Manufacturing/Business ➢ Six Sigma Quality Control
Information Technology	➢ Operation and Analysis ➢ Mathematics ➢ Information Organization ➢ Reading Comprehension ➢ Troubleshooting ➢ Programming ➢ Instruction ➢ Writing ➢ Implementation Planning	➢ Computers and Electronics ➢ Mathematics ➢ Engineering and Technology ➢ English Language
Life Sciences	➢ Service Orientation ➢ Speaking ➢ Social Perceptiveness ➢ Active Listening ➢ Writing ➢ Operation and Control ➢ Monitoring ➢ Reading Comprehension	➢ Medicine and Dentistry ➢ Biology ➢ Customer and Personal Service ➢ Therapy and Counseling ➢ Clerical ➢ English Language ➢ Computers and Electronics

Source: U.S. Department of Labor O*Net™

Strategies for Increasing Continuous Learning and Skills Development in Targeted Clusters:

- Research the key skill and knowledge sets required for critical occupations in targeted clusters and where and how those skills may be learned. Work closely with the employer and incumbent worker communities to validate the research.
- Target training funds toward development of those skills and knowledge sets that are transferable among key occupations and industries (including apprenticeship programs).
- Proactively work with underserved populations to develop skills needed for entry into targeted cluster occupations.
- Provide needed support services such as transportation and child care to enable people to participate in training and work.

Career Education and the Community/Technical College System Must Be Expanded

Career and technical education will be increasingly important to sustain and grow critical industry clusters in the new economy. The Bureau of Labor Statistics estimates that the number of jobs requiring either an associate's or postsecondary vocational credential will grow 24.1 percent in this decade. The transferability of vocational credits from high school to two-year, and from two-year to four-year institutions will also be important. By 2020, it is estimated that there will be 15 million new jobs requiring some level of college preparation.

The table on page 9 shows Missouri's top twenty occupations nationally based on employment, wages, and projected growth reflects the need for higher education. Seven of the top ten are computer-related; computers continue to increase in importance in all occupations. Four of the top twenty occupations require highly specialized skills, but not a four-year degree: electricians, computer support specialists, sheet metal workers, and registered nurses.

Strategies for Expanding Career and Technical Education:

- The U.S. Department of Education has identified sixteen key occupational clusters with required skill standards (www.careerclusters.org). The Missouri State Department of Elementary and Secondary Education is moving towards full implementation of a career clusters strategy. Once finalized, the strategy needs a public awareness campaign and the full support of business, workforce and economic development leaders.
- The Missouri Training and Employment Council has targeted more employer engagement as a critical strategy in improving the education system. A clearly charted path is needed to enable employers to see where and when they fit in with education and work-based learning.
- The Council also identified a need to expand the A+ Schools Program, including consideration of combining or leveraging it with the Advantage Missouri Program. Recommendations for expansion include increasing funding for tuition, requiring all schools to meet A+ Schools Program standards, and combining the program with skills assessment.
- Citizens of every geographic region in Missouri should have access to postsecondary career and technical education.

Critical Occupations Across Industries In Missouri

Top 20 Occupations

Occupation Title	2001 Employment	Rank of 2001 Employ-ment	2001 Annual Wage	Ranking of 2001 Annual Wage	2000-2010 Growth	Ranking of 2000-2010 Growth	Total Ranking	Part-Time QRT	Unemploy-ment QRT	Education & Training Requirements
Computer Software Engineers, Applications	5,830	97	$66,760.00	27	55.9%	3	127	Very Low	Very Low	Bachelor's degree
Computer Systems Analysts	9,540	60	$58,420.00	56	31.0%	26	142	Very Low	Very Low	Bachelor's degree
Computer and Information Systems Managers	5,610	102	$71,950.00	23	33.4%	20	145	Very Low	Very Low	Degree plus work experience
Lawyers	8,200	73	$94,090.00	11	23.4%	74	158	Low	Very Low	First professional degree
Sales Managers	6,950	83	$73,390.00	19	24.8%	56	158	Very Low	Low	Degree plus work experience
Computer Software Engineers, Systems Software	2,900	183	$66,210.00	29	53.0%	6	218	Very Low	Very Low	Bachelor's degree
Electricians	12,280	47	$46,230.00	135	25.3%	52	234	Very Low	Low	Long-term on-the-job training
Network and Computer Systems Administrators	3,890	150	$51,300.00	94	58.4%	2	246	Very Low	Very Low	Bachelor's degree
Network Systems and Data Communications Analysts	2,260	220	$61,570.00	41	50.3%	7	268	Very Low	Very Low	Bachelor's degree
Computer Support Specialists	9,710	58	$39,840.00	212	73.7%	1	271	Very Low	Very Low	Associate's degree
Pharmacists	4,790	119	$70,780.00	24	21.3%	130	273	Low	Very Low	First professional degree
Marketing Managers	4,200	139	$70,710.00	25	20.5%	140	304	Very Low	Low	Degree plus work experience
Medical and Health Services Managers	4,850	116	$59,280.00	49	20.2%	143	308	Low	Low	Degree plus work experience
Financial Managers	11,080	51	$65,290.00	30	14.9%	242	323	Very Low	Very Low	Degree plus work experience
Chief Executives	13,460	40	$98,490.00	9	12.7%	290	339	Low	Very Low	Degree plus work experience
Sheet Metal Workers	4,780	120	$41,850.00	193	29.2%	32	345	Very Low	High	Moderate-term on-the-job training
Registered Nurses	51,170	5	$43,350.00	172	18.3%	169	346	High	Very Low	Associate's degree
Database Administrators	1,540	278	$55,800.00	68	45.7%	8	354	Very Low	Very Low	Bachelor's degree
Securities, Commodities, and Financial Services Sales Agents	5,020	114	$54,980.00	72	17.9%	179	365	Low	Low	Bachelor's degree
Construction Managers	4,510	126	$59,550.00	46	17.1%	198	370	Very Low	Very Low	Bachelor's degree

Note: Last three columns are national data from the U. S. Bureau of Labor Statistics

Uniform Articulation and Dual Credit Mechanisms Needed to Improve Pipeline

In 2001, there were over 20,000 degree-seeking and non-degree seeking undergraduate transfer students within Missouri. The number rose to nearly 21,000 the following year. In the fall of 2001, over 3,000 public two-year students transferred to public four-year institutions within Missouri. The high number of transfers points to the need for articulation agreements between various levels of education, including secondary vocational to postsecondary vocational, as well as from apprenticeship and two-year institutions to four-year institutions.

The higher education system must award credits for education and skill-based training. One of the means to do so might be to look at leveraging public and private programs together in order to streamline efforts, reduce redundancy, and reward education and training accomplishments with higher education credits. Reducing the "seat time" required to gain credits and credentials will save both personal and public time, and expenditures for education, increase the number of credentialed workers in the state, and facilitate the movement of labor in the economy by allowing workers to move seamlessly in skill development through work and education along career paths to higher level jobs.

In addition, community and technical colleges must be highly responsive to the short-term and just-in-time training needs of business and industry. Such responsiveness will assist both the business and the individuals being trained.

Strategies for Improving the Worker Pipeline:

- Continue to formalize and finalize uniform statewide articulation agreements between all public secondary to postsecondary institutions, and among all public postsecondary institutions. Specific attention should be given to community-based organizations and organized labor.
- Develop a mechanism for assessing knowledge and skills learned in the workplace and translating those skills into postsecondary credit. Start the process with the key occupations in targeted cluster industries.
- Change the mindset in the postsecondary community from organizing education around seat time, credit hours, and letter grades, to an organizational model based on defined skill acquisition and demonstrations of proficiency.
- Expand the Missouri Mathematics Academy into additional school districts and businesses.
- Evaluate the New Career Education Teacher Mentoring Program for effectiveness and expansion.
- Support the development of the Counselor Academy, which is being designed to assist school counselors in helping students develop their career goals and plan of study.

Comprehensive Public Awareness Campaign Must be Deployed

A public awareness campaign is needed to raise Missourians' aspirations and expectations for education and training and their relation to economic survival and growth. States are where they are in terms of education, literacy, lifelong learning, and economic conditions because of individual and organizational behaviors. Those behaviors are shaped by perceptions of what is important and has value. The only way behaviors will change is if perceptions are changed.

Strategies for a Successful Public Awareness Campaign:

- Identify a strategic theme that resonates with the public.
- Coordinate and integrate the recommendations in this report with existing initiatives and build on existing energy.
- Sweep people in by creating an environment of inclusion and creating a coalition strong enough to support and guide the actions.
- Build an infrastructure for action by recognizing that time and attention are scarce resources, and determining what needs to be given the most attention.
- Identify the roles that various stakeholder groups must play in changing perceptions and bringing about action. Gain the commitment of the stakeholder groups through local compacts.

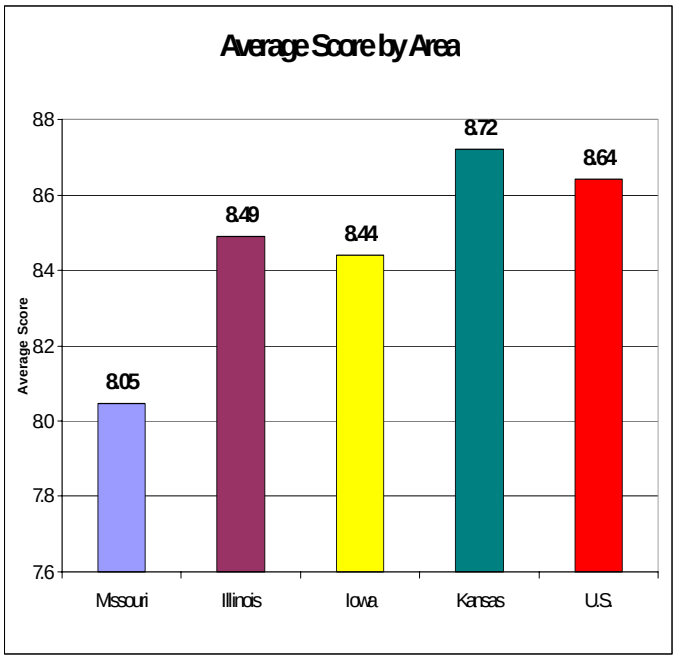
State Agencies Must Work with Local Workforce Investment Boards

While state industry cluster targets are important, Missouri is made up of many unique local economies. Understanding the driving forces within each of those economies is critical if the individual labor markets are to be competitive, and thus whether the state is competitive. Understanding key industries and occupations and associated knowledge and skill characteristics takes careful and thoughtful analysis using a variety of tools. One such tool can be a supply/demand gap analysis.

The most common method of defining the gap is by comparing higher education and vocational education programs and program enrollments with the forecasted growth of related occupations. While that works well for specific programs and occupations such as nursing, it works less well for general education preparation, such as "college prep" at the secondary level and liberal arts degrees at the postsecondary. Individuals with those credentials cannot be easily aligned with where they eventually land in the world of work, nor does this process account for how skills are acquired in the workplace and how occupations change over time.

Illinois recently released funds for Critical Skills Shortages planning grants to a consortia of local workforce investment boards. The state was divided into 10 economic development regions, which incorporate all or parts of the 26 workforce investment areas. Boards in the regions must plan together and involve the broader community and stakeholders to research and agree on target industry sectors and critical occupations within those sectors for their economy. A second round of funds will be provided to allow the regions to invest in training to fill identified skill shortages.

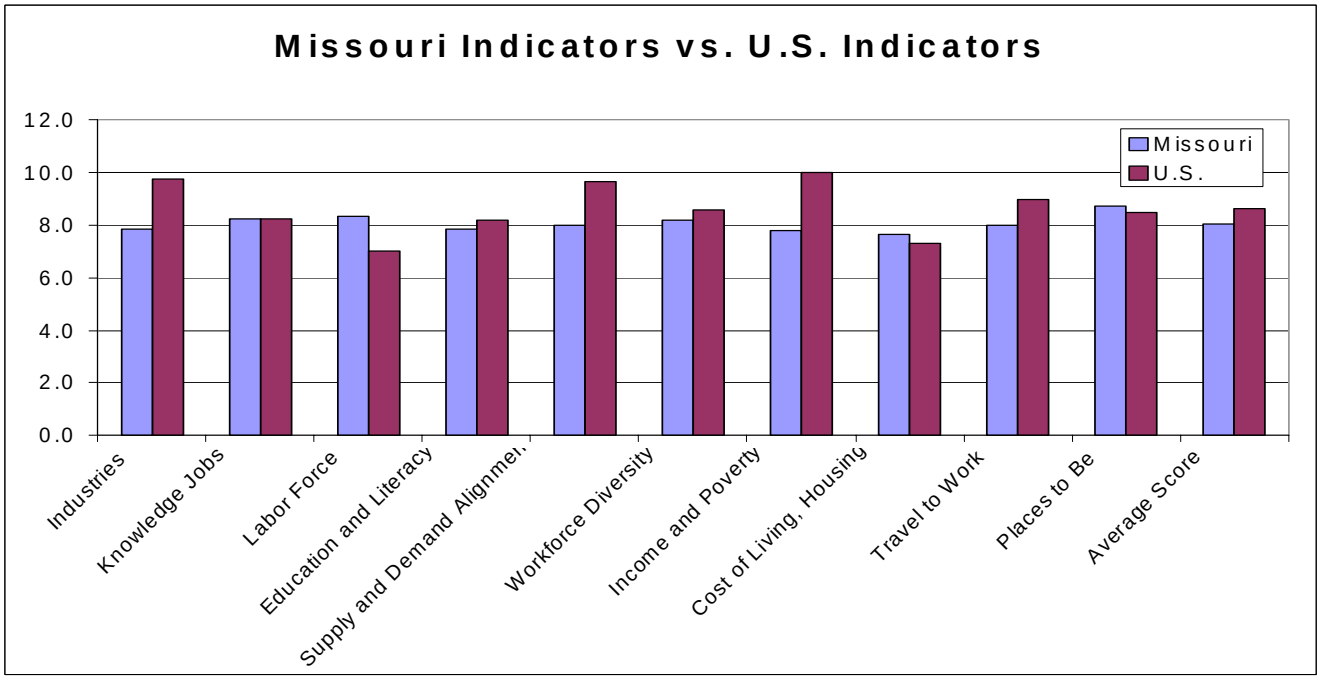
Given the complexities of identifying supply/demand gaps on this broader scale, it is important that each local economy facilitate an iterative process that includes labor market analysts, educators, economic developers, training institutions, and business in active dialogue about skill needs and skill gaps and how to fill them.



An emerging tool for understanding state and local economies in terms of their competitive workforce advantages and disadvantages is a set of 10 key indicators (supported by over 40 different data sets) that allows comparison of any area with its choice of comparison states, regions, counties, or municipalities. Application of the tool results in scores that allow for direct comparison, although it should be cautioned that the scores are only valid for comparing the areas under study; a score cannot be transferred to a comparison of a different set of areas that may include one or more of the original areas.

Corporation for a Skilled Workforce, which developed the Comparative Workforce Indicators®, used the tool to compare Missouri to Illinois, Iowa, Kansas, and the United States. As shown in the graphics above, Missouri seriously lags behind its neighbors.

Comparative Workforce Indicators® are one way to tell a story across a variety of areas to identify strengths and weaknesses. Another way of telling the story of a region is through intelligence about how the public worker preparation system is doing in influencing the factors that lead to rankings on the indicators. This measurement takes the form of a balanced scorecard of indicators



that guide tactical decisions and time and resource investments. The scorecard is useful in getting away from individual program measures and focusing instead on the collective results produced by the system working together. This requires the involvement and commitment of all state agencies that oversee any part of the local workforce preparation system, to align their priorities and direct their resources on a regional basis to support the key industries and occupations that drive the local economies.

State agencies can also work with local boards on assessing their One-Stop systems against the industry leaders. A benchmarking study conducted by Corporation for a Skilled Workforce in partnership with Leaders in Excellence outlines the characteristics shared by the most progressive One-Stop centers in the country. A new assessment tool that incorporates policy considerations and updated One-Stop critical success factors from the benchmarking report will be released in the near future. The critical success factor indicators include: making employer services a priority; becoming knowledgeable about key industries; establishing one-on-one relationships with employers; and viewing other public intermediaries as partners, not competitors. A focus on performance-based outcomes will enhance productivity. One-Stop systems that incorporate such factors into their operations are more likely to help Missouri increase its competitive position.

Strategies for State Agencies and Workforce Boards Working Together:

- Provide resources for supply/demand gap studies at the local labor market level.
- Align state agency investment priorities with the identified critical skill gaps.
- Collaboratively design and implement a balanced scorecard approach to measuring success of the one-stop system. Identify measures that focus on how well the target industries and critical skills are addressed.
- Assess One-Stop centers against the critical success factors identified through benchmarking and develop business plans at the center-level to move One-Stops toward the characteristics of the industry leaders.

Develop Regional State of the Workforce Reports to Guide Resource Allocation

The Missouri Economic Research and Information Center (MERIC) has launched "Target Missouri II" (TM2). TM2 is a MERIC-inspired initiative to both revive and revamp the idea of targeting industry clusters. The new system will take account of sub-economies within the state, because of the belief that different industries affect regions differently. MERIC will evaluate the current industry mix within a region, identify which industries generate the greatest economic impact, look at site selection criteria, gauge a region's capacity to attract certain industries, and assist them in developing short-term and longer-term economic development strategies. Coupled with potential supply and demand gap analyses discussed previously, local areas should develop state of the workforce reports. These reports should be driven and informed by data, but should ultimately factor in the anecdotal direction of the region and work to date, such as efforts already underway to foster new relationships with local education and training providers.

Assisting At Risk Missourians Achieve a Better Standard of Living: Aiming Toward Self-Sufficiency

Missouri is not unlike any other state in that it has pockets of prosperity as well as pockets of poverty, and areas of strong communities and economically weaker communities. Within the weaker communities, it is important that everyone has an opportunity to attach to the labor market. Over 35 percent of Missouri's working age population is not working and not actively seeking work. The state must proactively work with traditionally underserved populations so that everyone has access to education and skill development opportunities as well as quality jobs.

Missouri's workforce development system should strive to increase the labor force participation of those persons traditionally underserved by Missouri's labor market; specifically persons of low-income: women, ex-offenders, at-risk youth, young minority males, and persons with disabilities. Missouri must initiate a greater interagency effort to link separate programs into a continuum of integrated services, supported by mentoring and individual-based support services, to enable clients to participate in skills-based training and/or employment retention programs. This includes such support services as: food; housing; child care; transportation; emergency cash assistance; job coaching; job shadowing; health care (including mental heath); substance abuse education; domestic violence intervention; life skills in vocational and job training, higher education, and GED certification; as well as work readiness certification. This could be achieved by collaboration, integration and reallocation of funding as necessary. At least preserving current funding levels for the existing efforts providing these services is recommended while developing more innovative integrated delivery among all agency programs.

Conclusion: Summary of Recommendations

1) **Missourians must recognize, embrace, and initiate change and innovation.**
2) **Percentage of citizens who are highly literate (reading, comprehension and math skills at the 11th grade level or above) must increase significantly**
3) **High school graduation requirements must be more rigorous including four years of English and three years each of social studies, mathematics and science. This initiative must be linked with a more proactive policy to strengthen teacher preparedness.**
4) **High School graduation requirements must include a nationally recognized work-readiness certification.**
5) **All adults must be engaged in continuous learning (skills development).**
6) **Career education and the community/technical college system must be expanded and curricula targeted to the just-in-time skill standards, certifications, or licensing requirements of business and industry.**
7) **Uniform articulation and dual credit mechanisms must be established between and among secondary schools, community college, and university levels to provide degree credit for skill-based education and training.**

8) **A comprehensive public awareness initiative must be deployed to raise Missourian's aspirations and expectations for education and training, and their relation to their personal economic prosperity and growth.**

9) **State agencies must work with Local Workforce Investment Boards to conduct regional supply/demand gap analyses to identify the needs of business and industry and identify targeted industries/occupations for each region of the state.**

10) **In collaboration with other organizations, Local Workforce Investment Boards must develop regional State of the Workforce Reports based, in part, on data from the supply/demand gap analyses. These reports must guide policy and operational decision-making, as well as resource allocation.**

11) **Missouri's workforce development system should strive to increase the labor force participation of those persons traditionally underserved by Missouri's labor market; specifically persons of low-income, women, ex-offenders, at-risk youth, young minority males, and persons with disabilities. Missouri must initiate an interagency effort to integrate programs into a continuum of services, including mentoring, to support participation in skills-based training and/or employment retention programs.**